

everybody to come down here and support, you know, this was really important to me.

"I woke up this morning and they told me that you guys were doing this and I thought, you know, I have to come down and support because this is, these are our neighbors.

"That drive raised more than a half a million dollars in individual contributions and over 3 million in corporate contributions in less than 14 hours. Oh, that's astonishing news here at the Rose Bowl and now continues as a mail in and online donation program. The fire storm was unprecedented.

0070

Our responses of the local station was not.

"This is our mission as a local station. This is what we do. KABC TV both on air and online proved both its commitment and its value to the Southern California community."

The broadcasters are more than conduits for information. They are local citizens as well. According to our 2006 broadcast community service report, broadcasters across the country provided more than 10 billion dollars worth of community service last year alone. This is not a contribution that can be overlooked or swept under the carpet.

As we have seen in all of the public hearings thus far, local charities are universal in their praise of broadcasters and the work they do to serve their local communities. Broadcasters carry diverse viewpoints, some conservative, some liberal, some young, some old. Broadcasters can serve as megaphones for social issues in causes as well. NAB members, including Radio One, ICBC and Howard University's own WHUR radio, among many others, rallied support for the Jena 6, impacting the

0071

outcome of that situation. And in Los Angeles, in other places, Spanish language radio stations helped organize rallies, galvanizing the Latino community on immigration issues.

Is our industry perfect? Of course not. Is there room for stations to do more? Absolutely. Will we ever be able to satisfy all of our critics, not a chance. In fact, the record of these hearings show we've been accused of everything from causing global warming to the mortgage crisis. As Nell Carter used to say in her show of the same title, give me a break. We're very proud of the record and will continue to build on it.

But the truth remains only competitively viable broadcast stations sustained by adequate advertising revenues can serve the public interest effectively and provide the local programming so essential to communities. The capability of local broadcasters to continue operating profitably in financially sustainable ownership structures must be of central concern to the Commission.

0072

Again, I appreciate the opportunity to join you today, I hope that you have found through this lengthy proceeding as I have in my 25 years in the business that when broadcasters say they are committed to localism, they have a record and

5 results to back it up.

6 I believe our record speaks for itself
7 by the millions of Americans who turn every day to
8 their local broadcasters for information they need
9 the most and entertainment they enjoy.

10 Thank you.

11 LOUIS SIGALOS: Thank you,
12 Mr. Alexander.

13 Mr. Edwards.

14 BOB EDWARDS: I thank the Commission for
15 this opportunity to testify. My name's Bob Edwards
16 and I'm testifying on behalf of AFTRA, the American
17 Federation of Television and Radio Artists, which
18 represent more broadcast workers than any other
19 union. I am a proud member and I serve AFTRA as its
20 national first vice president.

21 The major radio conglomerates argue that
22 the broadcast ownership caps should be lifted to

0073

1 enable them to respond to increased competition from
2 satellite radio and the Internet, but this ignores
3 the local aspect of terrestrial radio broadcasting.
4 Satellite radio is by definition a national
5 platform. The strength of terrestrial radio and its
6 major appeal is that it's local.

7 When it comes to conveying local
8 information, news, weather and community events,
9 there is no rural competition between these
10 platforms. A national satellite broadcaster is not
11 going to give local communities information about,
12 for example, their local school board election and
13 if terrestrial broadcasters continue to consolidate,
14 local communities won't get that information from
15 local radio stations either.

16 Localism is inextricably linked with the
17 rest of the Commission's regulations governing media
18 ownership, which are also currently under review.
19 The drive to consolidate ownership of media seems to
20 ignore the disaster that consolidation has brought
21 to local news and public affairs and radio in this
22 country.

0074

1 The Commission should not intensify the
2 continuing evisceration of broadcast localism as a
3 result of consolidation by adopting rules enabling
4 even more consolidation. Although I've spent most
5 of my career working in public radio, it's
6 impossible to ignore the fact that commercial radio
7 and television dominate the airwaves in this
8 country.

9 It should not be a luxury for
10 journalists to practice their profession in an
11 environment that's free from commercial constraints.
12 I'm well aware that my colleagues who work at
13 commercial stations take their responsibilities to
14 local communities very seriously, unfortunately
15 their employers increasingly focused on the
16 corporate bottom line don't seem to share that
17 priority.

18 If the Commission is going to give
19 large, multi-national companies the right to exploit
20 the publicly-owned airwaves for profit, it should
21 consider how those companies have historically

22 behaved when they have been de-regulated. Radio

0075

1 ownership was largely de-regulated in 1996 to the
2 detriment of localism in broadcasting. In Chicago,
3 Westinghouse owned WMAQ AM had been an all news
4 station since 1989. Westinghouse bought CBS and
5 later merged with Viacom in the '90s. The merged
6 company's radio division, CBS radio, then called
7 Infinity, owned Chicago's only other all news format
8 station, WBBM AM.

9 In 2000, Viacom, CBS, Infinity,
10 determined that it was no longer profitable to
11 compete against itself, so it shut down WMAQ AM,
12 because WMAQ AM and WBBM AM were the only two all
13 news format radio stations in Chicago. When Viacom
14 killed WMAQ AM, it was killing WBBM AM's only
15 competition, leaving the third largest radio market
16 in the United States with only one all news radio
17 station.

18 Although these moves may have been
19 highly profitable for Viacom, they were hardly in
20 the public interest. Viacom's radio division, CBS
21 Radio, also owns both of the only all news format
22 radio stations in the New York City market.

0076

1 Although CBS Radio continues to compete
2 against itself in New York City by maintaining
3 separate newsrooms, the fact remains that the same
4 multi-national media conglomerate programs both of
5 the only all news radio stations in New York. There
6 is not a separate independent all news format radio
7 station in the largest radio market in the United
8 States.

9 These examples and countless more
10 illustrate that media consolidation has been the
11 enemy of localism in broadcasting. If the
12 Commission truly seeks to enhance localism, it
13 should tighten, not loosen, ownership restrictions.
14 This much is certain, there exists no compelling
15 public interest justification at this time for the
16 Commission to relax its ownership caps and thereby
17 repeat the mistakes of post 1996 consolidation.

18 The same thing is already happening in
19 print and television, you have heard AFTRA members
20 testify at other public hearings across the country
21 about how media companies that own newspapers and
22 television stations in the same market routinely

0077

1 re-purpose and recycle content. You've heard about
2 how broadcast conglomerates that operate two
3 stations in a market consolidate newsrooms, fire
4 journalists and homogenize programming.

5 My colleagues around the country have
6 been very clear about what these proceedings mean to
7 us and I hope you've been listening.

8 If you further de-regulate media in this
9 country, networks, broadcast stations and newspapers
10 will continue to consolidate, resulting in fewer
11 voices heard by citizens. If you permit this
12 consolidation, television stations and newspapers
13 will behave as commercial radio owners behaved when
14 they were largely de-regulated. They will adopt a
15 business model that shuts out local news and

16 entertainment in favor of national homogenized
17 programming.
18 If commercial media are given the
19 unfettered right to abandon their obligation to
20 serve the public interest, they will do just that.
21 Please do not let this happen.

22 Instead, please proceed in a deliberate
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1 fashion, keeping in mind the public interest, not
2 corporate profitability. Accordingly, I would urge
3 the Commission to not fast track its consideration
4 of the real and lasting impact that further
5 consolidation would have on localism in
6 broadcasting.

7 The health and robustness of American
8 media is riding on your decision and I thank you
9 very much for this opportunity to testify.

10 LOUIS SIGALOS: Thank you, Mr. Edwards.
11 (Applause)

12 Ms. Bediako.

13 LISA FAGER BEDIAKO: Thank you, hello,
14 my name is Lisa Fager Bediako. I'm the president
15 and co-founder of Industry Ears. I want to thank
16 you for the opportunity to testify this 31st day of
17 October which many of you recognize as Halloween,
18 however today is also the last day of Domestic
19 Violence Awareness Month. I'm wearing red today to
20 break the silence and symbolically scream for women
21 of color who have suffered.

22 Most recent stories of Megan Williams
0079

1 who was kidnapped, brutally raped and tortured and
2 held by six assailants for a month in West Virginia
3 and the mother living in Dunbar housing projects in
4 Florida who was repeatedly gang raped in front of
5 her son. These stories and other about women of
6 color and people of color receive little to no media
7 attention in this vast consolidating media
8 environment.

9 Women of color and people of color are
10 treated as if they are invisible, unimportant, a
11 last thought.

12 Industry Ears is a non-profit,
13 non-partisan and independent organization which is
14 focused on the impact media has on communities of
15 color and children since 2003. My co-founder, Paul
16 Porter, and I have collectively more than 40 years
17 of experience working for national and local media
18 outlets. Using our insiders knowledge, we created
19 Industry Ears and IndustryEars.com to address the
20 myths, misconceptions about how media and
21 entertainment industries operate and more
22 importantly, to develop effective means to combat

0080
1 the negative consequences of harmful media messages
2 and images on children.

3 For decades radio was a media source for
4 people of color. The civil rights movement relied
5 on radio stations to report what other stations
6 would not. It also gave voice to black leaders and
7 concerned citizens. Now Clear Channel and Radio
8 One, the two largest urban radio format
9 conglomerates, have eliminated news.

Last year, for example, throw the clip -- just kidding. I didn't know we could bring bells and whistles, or else I would have brought my own video and it would have been fabulous.

Last year when Korea was reported to having launched several missiles towards the United States, the number one story on urban radio was the release of Little Kim from jail, with no mention of the seriousness of what was going on in our country.

The lack of localism has affected people of color more than any other format in urban radio. Over 75 percent of urban radio stations carry syndication and what this does is it limits, it

limits our voices, our -- it also limits jobs for people of color and others who want to work in radio, in urban radio. Syndication has not only caused a disproportionate loss of industry jobs, but more importantly stifled news and information to local communities. For decades radio -- I'm sorry.

I was only asked to be on the panel yesterday, so my testimony is still in development. Again, as a woman of color, it's just another metaphor of what is going on now in media and in other things in our community.

I want to get back to public service obligations. We, I heard that word used and I'd like to see right now it's a lot about public service obligations are limited to Sunday at 5 a.m. I love Reverend Jackson's show but unfortunately in some markets he is on at 5 a.m. in the morning on Sunday and I'm not sure that that is a, you know, a huge listener, listenership at that time.

Washington, D.C., is a great example of what consolidation and a lack of localism has created for communities of color. The nation's

Capitol overshadows local issues. The public airwaves are a vital communications source to local communities. African-Americans, which is, which are the largest segment of the D.C. population, listen and watch more TV and radio than any other ethnic group.

In this market, D.C. is a top 10 market, we have four urban radio stations, three out of the four have syndicated programming and only one out of the four has news coverage.

I also want to, also make note of what happens with syndication. Syndication is easier to stop one voice than it is 100 independent voices in 100 markets. Also what we have going on are national playlists that are permitted and encouraged by corporate (inaudible) practices which, which, which is supported by tons of evidence, uncovered by former Attorney General Elliott Spitzer and current Governor of New York City, but unfortunately these corporate violators have, are Federal violators of the law have only received a slap on the wrist from the FCC.

Our Attorney General up in New York was able to get 36 million dollars in fines and our Federal organization here was only able to agree to

12 million with no admittance of guilt.

So, I'll end this and say that I strongly urge the FCC to slow down and to take into account and review diversity recommendations that have been submitted. We need a diverse environment of owners to reflect our diverse America.

(Applause).

LOUIS SIGALOS: Thank you, thank you, Ms. Bediako.

Ms. Gandy.

KIM GANDY: Thank you. Chairman Martin and Commissioners, my name is Kim Gandy, I'm president of the Now Foundation as well as the National Organization for Women, the country's largest grass-roots women's rights organization with over half a million members across the country.

Lisa and I are also part of the Women's Coalition for Dignity and Diversity, a coalition representing more than 12 million women that was

0084 formed in the wake of the Imus scandal.

I have four inter-connected points, all of which are backed up by the studies that you already have in hand.

First, that programming needs of local communities are best served by local ownership. It's hard to argue with the obvious. Single station owners who are headquartered in a community and focused on that community are better able to understand and serve that area's needs than large conglomerates that are headquartered in another state or across the country.

So increasing local ownership should be a goal in any effort aimed at increasing local content and local responsiveness.

In case it's not obvious enough, there are numbers to back up the assertion that local ownership increases local programming, for example, the fact that locally-owned and operated television stations aired more local news content than their conglomerate counterparts to the tune of 25 to, 25 percent more local broadcast news in every half

0085 hour news show.

Second, this desirable local ownership, especially single station ownership, is more likely to occur with female and minority owners. Whether you're talking about radio or television, the median minority or female owner controls only a single station and is headquartered in the community where that station is located, obviously serving the interests of localism.

For example, radio stations owned by women are significantly more likely to be locally owned. 64.4 percent of female-owned stations are locally owned, compared to only 41.6 percent of non-female-owned stations. Moreover, women are more likely to own only a single station, thereby focusing programming on that one community.

In radio, for example, the majority of all female owners are single station owners and the proportion is even higher for women of color, with over 90 percent of Latino station owners and over

21 80 percent of African-American female owners having
22 only a single radio station focused on local

0086
1 community.

2 Third, local owners are being squeezed
3 out by increased concentration and market
4 consolidation hurting both localism and media
5 diversity efforts. These locally-based owners,
6 especially those who own only a single station or a
7 small number of stations are being squeezed out of
8 the market by consolidation which makes it more and
9 more difficult for them to compete with large
10 conglomerates both for programming and for
11 advertising dollars.

12 According to the Free Press study, the
13 probability that a particular station will be
14 female-owned or minority-owned is significantly
15 lower in concentrated markets and the more
16 concentrated the market, the less likelihood that
17 there will be a female-owned or minority-owned
18 station in that market.

19 We urge this Commission not to take any
20 action that will increase ownership concentration,
21 in fact, we urge you to do exactly the opposite.

22 Finally, increased ownership by women

0087
1 and people of color will serve the interests of
2 localism, in addition to increasing public access to
3 this public asset, the airwaves. Despite the fact
4 that we represent two-thirds of the country, women
5 and people of color are woefully underrepresented in
6 media ownership.

7 Women own 5 percent of television
8 stations and 6 percent of commercial radio stations.
9 Racial ethnic minorities own about 3 percent of
10 television stations and less than 8 percent of radio
11 stations. Unfortunately most studies do not allow
12 us to look separately at minority female ownership
13 and we urge you to rectify this in future studies.

14 So, in order to increase service and
15 responsiveness to local communities, particularly
16 the underserved audiences of women and people of
17 color, the FCC must remedy the serious
18 underrepresentation of women and people of color in
19 broadcast ownership of both radio and television
20 stations.

21 As we've pointed out in previous
22 comments, there are numerous public interest

0088
1 benefits to increasing minority in women's
2 ownership, including an increase in program
3 diversity, a breakdown of stereotypes, better
4 service for underrepresented segments of the
5 population, increased civic participation and not
6 least remedying past discrimination against women
7 and minorities who were not included in the
8 Government's initial free handout of the broadcast
9 spectrum.

10 The Commission has repeatedly found that
11 it's essential to a democracy for the electorate to
12 have access to divergent viewpoints on controversial
13 issues, but few of the FCC's Commission studies even
14 attempt to address whether current levels of media

consolidation address that issue and provide the public with a true diversity of views.

Finally, in light of recent events, I believe that the paltry level of female ownership affects the coverage of women's issues and the way women are portrayed in the media. Increasing the diversity of ownership would increase diverse content and diverse voices and that would serve all

of us.

We look forward to working with you toward that end.

(Applause).

LOUIS SIGALOS: Thank you, Ms. Gandy. Mr. Goodman.

JIM GOODMON: Thank you very much, my name is Jim Goodman, I'm president of Capital Broadcasting Company in Raleigh and I'd like to say I'm the third generation president of our company, my grandfather started it in 1929. You know, this is a great time to be a broadcaster and thank you for digital television and thank you for digital radio.

Now starting with that point, I've got three, I've got a suggestion, I'm going to move the ball forward today. We're going to move the ball forward. I have three suggestions for you.

The first one is, please don't do anything about ownership, and I have two reasons for saying that. One is we are now going into the digital transition. You know those two TV stations

I own in Raleigh, they are really eight TV stations now. You know that FM station I own in Raleigh, I really have three stations now.

I mean we're moving into digital. I'm not sure what's going to happen to those other channels, I don't know exactly where this is going to go, but why would we work on ownership regulation at the end of an era? You know, why do we make a change before we really get into this digital and see what's going on?

And the other thing I want to say about ownership is I'm really worried you'll change one thing. You'll get real interested in the radio caps or I know you're very interested in newspapers. What happened to us in the last ownership was we had a group working on radio and, you know, we'll do this about radio and they're off fussing about radio and they come up with something. We had a group working on television ownership and we already have two here and over here you can have three and they fight and fight and fight.

And then you come up with you can own a

newspaper and then, and then all of a sudden this rule-making is turned out and everybody fell to pieces. Nobody put it all on the same piece of paper. It's not just whether you should allow a TV station and a newspaper to be co-owned. Remember, that same crowd can own eight radio stations, and that same crowd can own the cable company.

So you can't take one thing and work on

9 it. I mean this has to be, am I making any sense?
10 I'm saying -- it's kind of a --

11 (No).

12 JIM GOODMON: No, okay.

13 Right, so do it altogether. Do it
14 altogether. Like don't just pick one ownership
15 thing, so please don't do ownership now.

16 The second issue is please do the third
17 periodic. I mean I'm, we've got a lot of work to do
18 to get these analog antennas and digital stuff up,
19 it's a, we're, several of us have got lots of
20 problems so we really need the third periodic to
21 move along with the digital transition.

22 Now, localism. On one side, localism,

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1 on one side we've got the crowd that says, we look
2 at the broadcasters, we're wonderful, look at all
3 the stuff we do. On the other side we've got these
4 people saying broadcasters are not fulfilling their
5 requirements, this is terrible.

6 Well my suggestion is why don't you ask
7 us what we're doing. You've had a proceeding,
8 you've had a proceeding, I don't know whether it's a
9 notice -- I'm not sure what it is, you know, why --
10 to suggest that broadcast stations report quarterly
11 on what we do.

12 That's a, that's an imminently
13 reasonable notion so you can see what we're doing.
14 You've got some really good proposals about what
15 should be on that questionnaire, if you could get
16 that out, then you can start, we can and you all can
17 start deciding what you think about what we're
18 doing, with real data.

19 And then the second part of that is the
20 minimum public interest standards proceeding. You
21 have on one hand, there's this suggestion that we're
22 supposed to serve the local community, but nobody

0093

1 wants to suggest where that is.

2 Tell us what our minimum public interest
3 standards are. That could be a really healthy
4 exercise for everybody. We wouldn't be just
5 shooting out here about what's good and what's bad
6 and you've got three or four really good proposals
7 about what should be included in the minimum public
8 interest standards.

9 And it's generally is you do local
10 programming, not that you have to do programming
11 about A, B, C or D, but that you do local
12 programming and local community ascertainment, stuff
13 like that, so I'm just saying it would really help
14 to do quarterly reporting. You know, I think these
15 things have been here since '99.

16 I used to say I wanted to live to see my
17 grandchildren finish high school, now I'm on the,
18 these proceedings. I mean this could really be
19 helpful to everybody, is to get this minimum public
20 interest standards and quarterly reporting out. So
21 that's three things.

22 Please let's get through the transition

0094

1 before we start getting to this ownership. If
2 you're going to do ownership, you've got to look at

3 everything. You can't just take one thing and say
4 this is okay, you've got to remember all the
5 different things we can own. The third periodic and
6 quarterly reporting and minimum public interest
7 standards.

8 Thank you very much.

9 LOUIS SIGALOS: Thank you, Mr. Goodman.
10 Mr. Henderson.

11 WADE HENDERSON: Good morning,
12 Mr. Chairman, members of the Commission, thank you
13 for the opportunity to appear before you today. I'm
14 Wade Henderson, president of the Leadership
15 Conference on Civil Rights, the nation's oldest,
16 largest and most diverse civil and human rights
17 coalition, with nearly 200 member organizations
18 working to build an America as good as its ideals.

19 I'm also the Joseph Rowe professor of
20 public interest law at the University of the
21 District of Columbia.

22 Now, the leadership conference strongly

0095
1 believes in the value and power of the free market
2 of ideas. We also believe that the health of our
3 nation's democracy depends on the continued
4 existence of a diversity of viewpoints in the public
5 domain.

6 But today instead of local ownership
7 with a diversity of view, we now have homogenized
8 cookie-cutter media divorced from local concerns.
9 We believe that every American should be concerned
10 about the loss of the independent journalistic
11 voices that have connected our nation, served our
12 local communities and provided the foundation for
13 our democracies. If a company can buy a wide
14 variety of media in the same community, it
15 essentially provides one voice, not many.

16 This means less diversity of viewpoint.
17 If racial and ethnic minorities, people of color,
18 women, older Americans and persons with disabilities
19 are not employed at news operations at all levels of
20 management, there are few who can speak with
21 authority about their condition in the community.

22 This means less or less complete

0096
1 coverage of issues that are important to them.
2 Issues like economic inclusion, the struggle for
3 quality public education, immigration reform and the
4 prevention of violent hate crime. And if there
5 isn't local integration in the management of local
6 news operations, issues important to local
7 communities can be ignored. This means the public
8 interest isn't being served.

9 Now in June of this year the leadership
10 conference sponsored a Web-based national town hall
11 meeting with on-the-ground locations in both
12 Washington, D.C., and Denver, Colorado, on the
13 importance of diversity in media ownership. Not
14 surprisingly the program was called why media
15 diversity matters.

16 Video from our June event which featured
17 author, commentator and talk show host Tavis
18 Smiley, Denver Mayor John Hickenluper and your own
19 FCC Commissioner, Michael Copps, can be viewed at

20 our website at www.Civilrights.org and we have
21 brought DVDs of the event for submission to the
22 commission. If I had known, I perhaps would have

0097 1 shown them, but in the interest of time, let's move
2 on.

3 Now we believe that media diversity,
4 very straightforwardly, is a civil rights issue.
5 Media diversity is a civil rights issue and we felt
6 it was important to highlight the issue for the
7 nation because of what is really at stake, nothing
8 less than equal opportunity in the public domain and
9 equal access to important local and national
10 information and resources.

11 The unanimous conclusion of participants
12 in our program was that while hearings like this are
13 important, the FCC is doing an inadequate job of
14 identifying and working to eliminate the barriers of
15 participation of women and people of color in radio
16 and television. Now the 21st century is rapidly
17 becoming the age of big media and as consolidation
18 grows, localism suffers and diversity dwindles.

19 Local ownership of broadcast outlets
20 means better coverage for the communities they serve
21 and yet even in our nation's Capitol, it is
22 difficult to find newspaper, television and radio

0098 1 content that accurately showcases the breadth and
2 diversity of our unique version of the American
3 experience.

4 This is not a coincidence. Research by
5 Free Press, which is here, of course they're here at
6 the table, shows that Washington, D.C., media
7 ownership is heavily concentrated and predominantly
8 non-local.

9 Two companies, News Corporation and NBC
10 GE, together control over half the television
11 revenues in Washington -- in the Washington, D.C.,
12 market. Only two of the areas 10 full power
13 commercial TV stations are locally-owned and
14 operated. Non-local owners control 63 percent of
15 the District's 44 commercial radio stations. That
16 doesn't, of course, reflect the diversity of this
17 population.

18 Now, like Commissioner McDowell, I'm a
19 Washington, D.C., native and I can tell you that
20 local news has not always been responsive, even to
21 important local issues with national dimension.

22 I remember when the nation's Capitol was

0099 1 a locally-segregated city and where the interests of
2 African-Americans were largely ignored. And I
3 valued your mention of WTOP and WMAL, I'm sorry that
4 I couldn't have interned at either of them, but I
5 think we all recognize the value of those
6 internships and I think we also recognize that those
7 opportunities should be available to all segments of
8 our community.

9 And so certainly these things have real
10 importance. Now in recent years the issue of voting
11 rights in Congress for District residents has after
12 much time and effort finally moved from a peripheral
13 concern to an issue deemed worthy of coverage by

14 most local media outlets. Local media has recently
15 given the issue a validity and prominence that
16 helped engage the citizens of Washington, D.C., as
17 well as the national and international civil rights
18 communities.

19 But this is a rare exception and it came
20 about after many years of protest, arguing that
21 because the District was predominantly an
22 African-American City, there was largely no

0100

1 attention paid to the gross stain on American
2 democracy that denying residents of the nation's
3 Capitol has for our own circumstance.

4 So, we understand these, these, the
5 important challenges. We in the civil rights
6 community care about media ownership because the way
7 the public looks at issues, indeed whether the
8 public is even aware of issues like fair housing or
9 voting discrimination or D.C. voting rights, for
10 that matter, is directly related to the way these
11 issues are covered by the media.

12 The way the media covers issues is
13 directly related to who the reporters and producers
14 and anchors are. Who is employed by the media is
15 directly related to who owns the media and who owns
16 the media is directly related to policies that
17 determine who gets a Federal license to operate and
18 who does not.

19 The battle over who controls the media
20 is a battle that the civil rights community has
21 fought for decades because we have long recognized
22 the critical role media plays in creating a more

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1 just and equitable society.

2 We recognize that without the First
3 Amendment to the Constitution, there would have been
4 no civil rights movement and we recognize had the
5 visions of police dogs, hosers and people being
6 beaten at the height of the modern civil rights
7 movement had not been broadcast into the homes of
8 America, the transformation that we have come to
9 accept as the modern movement would not have
10 occurred.

11 So what we're talking about today has
12 real consequence for real people in communities all
13 over this country and we would join in those who
14 suggest there is no public interest to be served by
15 loosening the rules of ownership to allow the kinds
16 of concentrations that obviously have been
17 facilitated by the 1996 Telecom Act but could be
18 further facilitated by action taken through this
19 Commission.

20 We would urge you to think long and hard
21 and carefully before you make further changes that
22 could erode the diversity of viewpoint that we have

0102

1 come to enjoy.

2 Thank you very much.

3 (Applause).

4 LOUIS SIGALOS: Thank you,

5 Mr. Henderson.

6 Mr. Isett.

7 DAN ISETT: Good morning, Mr. Chairman,

8 Commissioners, I have the unenviable task of going
9 into between Mr. Henderson and Reverend Jackson, but
10 I'll attempt to do the best I can.

11 My name is Dan Isett, I'm proud to
12 represent the better than 1.2 million members of the
13 Parents Television Council whose mission it is to
14 protect children from sex, violence, and profanity
15 in entertainment.

16 On the surface there would seem to be
17 little connection between our mission and the media
18 ownership issues that bring us together here today,
19 but indeed there is no question that the
20 consolidation of media outlets has led to a
21 coarsening of television content, a destruction of
22 the concept of community standard of decency, and

0103

1 unresponsive, irresponsible news media that ignores
2 news unfavorable to its parent corporation and a
3 cable television industry that effectively functions
4 as a cartel, forcing consumers and families to buy
5 enormous amounts of unwanted programming just to get
6 access to the family programming they actually want.

7 Media consolidation has led to a
8 self-serving news media that seeks to protect the
9 interests of its corporate parent. The FCC has been
10 empowered by Congress to uphold broadcast, decency
11 standards on the public airwaves at the times when
12 children are most likely to be in the audience and
13 the Supreme Court has upheld Congress' right to do
14 so.

15 Unfortunately the broadcast networks
16 have challenged the FCC's ability to enforce these
17 standards and, as you know, even convinced two
18 Federal Judges in New York City that they have the,
19 quote, unquote, right to air the "F" and the "S"
20 word at times of day when we know there to be tens
21 of millions of children in the audience. Although
22 dozens of concerned family groups, including the

0104

1 PTC, as well as tens of thousands of concerned
2 parents looked on with disgust that a Federal Court
3 could reach such a preposterous conclusion, there
4 has been only limited public outcry over that
5 decision.

6 The reason for that, in my opinion, is
7 simple, in large measure, the American people don't
8 know that it has happened. In the wake of that
9 Court decision, not a single national broadcast news
10 organization saw fit to cover it and even in a
11 multitude of a 24-hour a day news on cable, there
12 was near zero coverage of a decision that will
13 directly impact every family in the country as well
14 as the policies determining appropriate uses of
15 airwaves that they, themselves, own.

16 There is one, there's only one
17 conclusion that can be reached, that the corporate
18 fuss divisions did not cover their parents -- their
19 parent company's lawsuits to claim the absurd right
20 to air profanity early in the day.

21 In a more diverse, more localized media
22 environment, companies are held to account for their

0105

1 actions. Clearly in this case they've not been.

2 Rather than take their public interest
3 obligation seriously, the broadcast networks have
4 exhibited a pattern of behavior that reflects a
5 contempt for the owners of the very airwaves from
6 which they profit.

7 On November 2004, Viacom, then the
8 corporate parent of CBS Television Network, entered
9 into a Consent Decree with the Commission wherein it
10 admitted airing indecent material, paid a fine and
11 committed itself to a detailed compliance plan to
12 prevent the further airing of indecent material.

13 There was no evidence that that
14 compliance plan was followed and just last week CBS
15 meekly explained to the Commission that it had
16 understood the Consent, the terms of the Consent
17 Decree only applied to live programming.

18 Since it was CBS only -- own attorneys,
19 rather, who negotiated the terms of this contract
20 and there's no such stipulation in it, it is
21 preposterous and outrageous that CBS made this
22 claim. If media conglomerates can't be trusted with

0106 something as simple as making a good faith effort to
1 prevent the airing of indecent material, then how
2 can they be trusted to be good stewards of the
3 public airwaves and then be given more access to
4 them.

5 The proposed elimination of the
6 newspaper duopoly rule threatens the important shake
7 that media outlets have on each other, if a
8 television station and a newspaper in a given market
9 share ownership, it follows that they will share
10 editorial outlook on policy. Even if they don't,
11 how likely is it that a newspaper would criticize a
12 local broadcaster for anything, much less a
13 violation of community standards of decency if both
14 entities are owned by the same company.

15 Much as networks have a choke-hold over
16 the programming decisions of their affiliates, so,
17 too, would an ownership group exercise editorial
18 control over its media properties in the same
19 market.

20 There has been much attention paid
21 recently to the acquisition of the Wall Street
22

0107 Journal by News Corporation but I'd like to
1 illustrate another way in which media consolidation
2 has an adverse affect on families.

3 The vast majority of cable programming
4 is owned by a mere 6 major media conglomerates and
5 all of these corporations force cable and satellite
6 providers to carry all of their network offerings,
7 if any are to be carried, a practice known as
8 bundling.

9 Consequently, consumer choice in cable
10 programming has remained illusive, despite FCC
11 reporting last year, despite an FCC report last year
12 that demonstrated that consumers could save as much
13 as 13 percent if simply allowed to pick and choose
14 their own channel lineups.

15 News Corporation recently launched the
16 Fox business channel and through a similar bundled
17 arrangement will leverage carriage of this network
18

and demand a prescribed per subscriber fee into tens of millions of home, regardless of any market demand for a new network devoted exclusively to business news.

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It is at once outrageous and ironic that a network devoted to the coverage of business would exploit a fundamentally anti-competitive business model to guarantee it will make a buck. However, that is exactly what happened and is happening every day with dozens of network that are free from competitive pressure and line the pockets of media conglomerates who force cable programmers to distribute their programming even while forcing consumers to pay for it.

At a mere 50 cents per subscriber per month for a network like the Fox business channel, this will net News Corporation nearly a half billion dollars per year before a single cent of advertising is sold. And News Corp will be able to count on this revenue regardless of any would-be market demand for its product.

This is only possible in a marketplace dominated by a few major players who through vertical and horizontal ownership integration game the system to extort ever more money from families who unwittingly line the pockets of the media

0109

giants.

Continued media consolidation puts the corporate interest before the public interest and it is up to the FCC as the rightful upholder of the public interest to maintain a media ownership policy that benefits the public and not merely only those who exploit the media landscape for their own gain.

The interest of the public, concerned parents and impressionable children, the very owners of the broadcast airwaves, must be paramount and it's time that responsibility and common decency once again became part of the media conglomerates lexicon.

Thank you very much.

(Applause).

LOUIS SIGALOS: Thank you, Mr. Isett.

Reverend Jackson.

REV. JESSE JACKSON: Mr. Chairman, and members of the Commission, I am honored to be here today to discuss the critical issue of media ownership.

0110

For some of the millions of Americans

that will never have a seat at this table, is I hope that our presence today is not a fig leaf to cover up a fact accomplished that we're heard and not tolerated.

Most Americans agree with what you've heard here today. The same people who want local control of school boards, want states rights in voting off costs to gain control of media which determines legal and state outcome. For too long media policies have made -- have laid behind closed doors. This broken, corrupt process has led to too few own too much at the expense of too many.

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13 It's time to democratize our public
14 airwaves. We need to democratize the way the FCC
15 does business. It's not enough to give people a
16 chance to speak. The FCC needs to listen and do
17 something to address our concerns.

18 The FCC should be serving people, of
19 course, and not profit. If the FCC listened to the
20 public, it would be focused on improving media
21 diversity, not rushing toward consolidation.

22 Media diversity could not be more
0111

1 important. Media's a life or death issue for
2 communities of color across the country.
3 Representation is directly tied to ownership. Look
4 no further than the Jena 6 to see the results. We
5 agree with the concern that people of color own just
6 7 percent of the broadcast stations in the country,
7 it's a disgrace you will level of inequality in one
8 of the most important arenas of our economy and our
9 democracy.

10 The City of Washington, people of color
11 make up 72 percent of the population, but not a
12 single TV station owned in D.C. is minority owned.
13 If you want more diversity, consolidation is not the
14 answer. Consolidation is the polar opposite of
15 diversity. You can't have both. Fewer owners mean
16 fewer opportunities.

17 If a giant company is able to purchase a
18 station across the country, people of color already
19 victims of the long history of discriminatory
20 practices, lending practices, now the mortgage
21 (inaudible) crisis, are pushed off the field, often
22 out of the picture. That's unacceptable and yet our

0112
1 Government has turned a blind eye for their case.

2 I'd been concerned a few months ago
3 about statements made by Mr. Imus and the "B" word.
4 We are damaging then the insult which (inaudible)
5 self-sufficient. He was on MSNBC 750 hours a year,
6 on CBS Radio 1,040 hours a year, he was on more
7 hours of day in a week and a year than all blacks,
8 Latinos, Asians and women combined. It's
9 unacceptable, such a concentration of power.

10 We believe diversity crisis, it's still
11 not clear that the FCC is serious about addressing
12 it. Stopping media consolidation is the most
13 important way of help minority ownership. The
14 neglect around the community crisis are grave while
15 the rest is good for local communities.

16 Let me say in a more rare specific
17 situation, the Cirrus, XM merger issues. There are
18 major concerns with its current proposed structure
19 of the Cirrus acquisition of XM satellite. The
20 (inaudible) transition would result in the business
21 transaction of the two most significant largest
22 companies in the satellite communications, in

0113
1 effect, this creates a monopoly. Competition in
2 this space would become virtually impossible.
3 Program menus is dangerously subject to the combined
4 (inaudible) self-interest and whim.

5 This transaction as currently structured
6 has the potential to weaken serious economic havoc

on any business attempting to become part of the marketplace in the communities these businesses represent. The Bose transaction as currently structured has the very real potential of eliminating diversity and opportunities for our minority participation in ownership. The Commission must uphold the statute and regulations to contend diversity and opportunist for ownership minor rights.

As previously structured, it is a bad deal. It's not in the public interest. Please hear us, let we, the people, be proud of our airwaves.

Thank you very much.

(Applause)

LOUIS SIGALOS: Thank you, Reverend Jackson.

Mr. Schwartzman.

ANDREW SCHWARTZMAN: Thank you. For more than 30 years I've sat on panels such as this. During that time I've heard the testimony of scores of talented, dedicated commercial broadcasters who have provided meaningful service to their local communities and few, if any, are more committed to public service than my friend Jim Goodmon. My testimony today is not about those broadcasters.

It is about the much larger number of broadcasters who do little or nothing to address the problems, needs and interests of the community they're required to serve. It's not about Channel 7 in San Diego, it's about the several television stations in San Diego that have no local originating capacity whatsoever and did absolutely nothing to change their programming during the same time that Channel 7 was taking, stepping up and taking care of the job.

They are never invited to appear by the NAB or by the Commission. They are the ones who should be called upon to explain why they lack any

original local programming other than advertisements. They should be asked how they merit a free license for exclusive use of scarce, publicly-owned spectrum when they don't provide something, anything designed to serve the public interest as opposed to their own private interests.

Indeed, although I hope this will soon change, as of now the Commission's policy is that radio or TV stations carrying commercials or home shopping 24 hours a day are presumed to be operating in the public interest.

Sadly, in the wake of the 1996 Telecommunications Act and the consequent growth of large regional and national ownership groups, the number of broadcasters like Jim Goodmon is diminishing and the number of mediocre broadcasters is increasing.

Now locally-originated news and public affairs is but one important measure of commitment to local public service. There are about 1,400 full powered commercial TVs and another 5 or 600 Class As. According to the (inaudible) less than

1 800 of those 2,000 television stations originate
2 newscasts. 2,000 minus 800 is 1,200. How can the
3 Commission possibly make the statutorily mandated
4 determination that those 1,200 stations are operated
5 in the public interest? It's even worse with radio.

6 I notice the NAB had no presentation
7 about radio in San Diego, that's because the public
8 service in San Diego is provided by KPBS, a
9 non-commercial broadcaster. Most of the local radio
10 stations in San Diego had to carry the KPBS feed
11 because they had no capacity to assist their
12 community during the time of emergency.

13 Thousands of stations do little or
14 nothing and thousands of more outsourced their news
15 gathering to a single company which carries
16 essentially identical newscasts on scores of
17 stations. One company alone, Metro Networks, which
18 is owned by Viacom, itself a group owner, provides
19 newscasts for more than 2,000 of the nation's radio
20 stations. Where is the diversity viewpoint in that?

21 Technologies marketed with such names as
22 voice casting and central casting are used to cover

0117
1 up the fact that many broadcasters export
2 programming into local stations rather than create
3 it by site. Such stations are run by senior
4 management and program executives located hundreds
5 or thousands of miles away. This would be a much
6 more useful hearing if the Commission were to invite
7 or, if necessary, compel the testimony of those
8 licensees.

9 How and why do these stations get their
10 licenses renewed. It can't be because they carry
11 public service announcements when they can't sell
12 the air time, or maybe it can, I'd like to know. So
13 would millions of American citizens. After all,
14 protection of their rights to receive information is
15 and ought to be the primary goal of the Commission's
16 regulatory system.

17 What should the Commission do about
18 this. Unless the Commission has answers for these
19 questions, it cannot complete this localism inquiry
20 and these are matters the Commission ought to
21 address before and not after it contemplates further
22 relaxation of its broadcast ownership rules.

0118
1 That having been said, here's a list of
2 things the Commission could do to start fixing the
3 problem. First, develop a meaningful and much more
4 transparent license renewal process based on much
5 more detailed information about broadcasters actual
6 program practices. That order is on the 8th floor
7 and it's, ought to be voted on, you know who you
8 are.

9 Reduce the term of broadcast licenses to
10 three years. Require every single licensee to carry
11 minimum amounts of locally-originated
12 licensee-produced programming designed to address
13 local needs, tastes and interests. Expand the
14 number and range of low power FM stations, and
15 develop meaningful programs to develop -- to double
16 the number of minority. And female-owned broadcast
17 stations within the next five years.

18 Now one last point, very special
19 emphasis, much of my presentation thus far has
20 focused on increasing the amount of programming
21 which is responsive to local needs and tastes.
22 But not everything important can be

0119 measured. Effective local service requires
1 institutional and personal attachments to the
2 community. It requires a diverse work force that is
3 capable of conveying the many different perspectives
4 found in each community. There is no way to
5 document the qualitative impact of having a station
6 operated locally by individual citizens who live in
7 the community and expect to remain there.

8 Finally, the intensity of the public's
9 concern about how broadcasters serve their community
10 is something the Commission should not and in
11 practice cannot ignore. Despite obvious attempts to
12 minimize public attendance at events such as this,
13 thousands of Americans have shown up to tell you how
14 much they care. Please don't ignore them.

15 (Applause)

16 LOUIS SIGALOS: Thank you,
17 Mr. Schwartzman.

18 Mr. Sterling.

19 CHRISTOPHER STERLING: As is evidenced
20 by the people in this room and the people outside
21 the building, this is clearly a very healthy process
22

0120 and a useful function.

1 I want to make three points very briefly
2 this morning. First, I think it's fascinating and
3 telling that localism issues are of long-standing
4 concern.

5 Localism was among the oldest of the
6 goals of radio policy dating all the way back to the
7 Department of Commerce in the 1920s. The FCC single
8 market duopoly ownership provisions date at least to
9 the 1930s and were intended primarily to promote
10 local service. Cross-ownership limits, also
11 designed to strengthen localism, have been debated
12 at least as long. Newspapers dominated. For
13 example, the earliest FM license applications in
14 1941 prompted a three-year FCC investigation, though
15 the present rule is only just over three decades
16 old.

17 Station licensing and the renewal
18 process remains central to promoting and encouraging
19 localism until both were undone for radio by the
20 1996 Act and loosened for television in the years
21 since.
22

0121 Despite all of this de-regulation, FCC
1 Commissioners and staff continually speak of
2 localism as a core mission, a concern of what is now
3 a dramatically different industry.

4 We've heard lots of examples this
5 morning of where localism stands in 2007. That
6 brings me to my second basic point.

7 That is, we have plenty of local
8 outlets. We have far too few voices. We've enjoyed
9 a steady increase in channels or outlets from which
10 to choose. My students are amazed that I grew up in
11

Madison, Wisconsin, a town that then had only four television stations. How could I possibly have survived that and not been scarred for life.

But the plethora of options that we have today too often add little real diversity in either content or points of view and provide limited local programming, let alone news or public affairs or even much of what former Commissioner Lee Levinger called the reflection or projection of their local communities.

Too often if a new medium does offer a

localism potential, such as the drop-in FM channels of two decades ago or low powered FM which we've already heard a good deal about this morning, they're often cut off at the knees by the broadcasting establishment, including, surprisingly, public radio pleading concerns about interference.

At the same time we've seen a steady decline in the number of media voices or separate owners, thanks largely to consolidation. One reason has been the demise of the Commission's own once very close adherence to its duopoly policy of one station of each type to a customer in a given market.

Another is the growing reliance by both Congress and the FCC on marketplace competition in place of the former public service emphasis of many structural or behavioral broadcast rules and thus the electronic media, both legacy broadcasting and the newer cable satellite. And other services are now largely all about national content and national programming and appeal.

Consolidation of outlets and national

program production has nearly eliminated any local or regional originality.

Point number three, can broadcast localism be revived? Yes, but we have to provide more than lip service to localism as a core mission, to use former Chairman Powell's words, along with diversity and competition policy.

I've got several quick suggestions, though others have suggested them before. First, consider taking commercial broadcasters off the public affairs hook entirely, while at the same time assisting public radio and television stations to do that job.

Create a public affairs trust, an annual assessment on commercial stations to support public affairs programming on public stations. This would include news, local political coverage, programming about local public controversy. CPB might be the intermediary to make this work. In turn, commercial stations could drop any or all remaining local public service programming, those that still supply any. They might even be given as a new book

suggests a permanent license as they nearly have one already, removable only for good cause.

Second, if the idea of commercial stations helping to fund such programs on public stations has no appeal, then revisit proposals for a

public affairs programming requirement on digital radio and especially digital television channels.

Third, as digital radio becomes more widespread, consider requiring one of its side channels be devoted to local, community and public affairs content.

And fourth, as already noted by others on this panel, something needs to be done to increase minority, female and small business participation in station ownership.

Finally, notice broadcasters, themselves, are promoting radio as a local service in face of competing national programmed options, even the marketplace professes potential value in broadcast localism, whether actual programming reflects that or not.

Building on all of this, the FCC should strive for viable mechanisms to make localism real again.

Thank you.

LOUIS SIGALOS: Thank you, Mr. Sterling. Mr. Turner.

S. DEREK TURNER: Gentlemen, Commissioners, my name is Derek Turner and I'm a research director for Free Press, a public interest organization dedicated to public education and consumer advocacy on communications policy.

At the center of this proceeding lies the basic question, how do FCC rules further the goals of localism, competition and diversity. The record in this proceeding is clear. Media consolidation has been a disaster for localism precisely because increased concentration of ownership is a disaster for competition and diversity gutting the few remaining rules is clearly not in the public interest.

Now how do we know this? Because the Commission's own data tells us. The Commission's latest research was born in a biased environment.

The FCC's former chief economist started by asking the question how can the FCC, quote, approach relaxing newspaper broadcasts cost ownership restrictions, end quote.

Now despite this shaky framework, the underlying data produced from this research does have value. Using this data and implementing the substantive critiques of the peer reviewers, we find that, one, though the Commission has claimed that cross-owned stations do more local news, the FCC's own data reveal that markets with cross-owned stations produced less total minutes of local news, a result that is even more pronounced in smaller markets.

Two, higher levels of local ownership lead to more local news at the market level. Three, and this is very important, increasing market concentration decreases the production of local news at the market level. That's a very strong effect.

Four, locally-owned so-called big four affiliates produce more local news than their non-locally-owned counterparts.

0127

1 Five, cross-owned stations aired less
2 hard local news in the days leading up to the 2006
3 local elections.

4 Now given these results, what possible
5 reason would you have for dismantling these
6 important ownership rules. The industry groups will
7 tell you that they need to gut these rules because
8 their businesses are in poverty, that the Internet
9 has changed everything. This is simply untrue.

10 The Commission's own data indicates that
11 outside of the very largest markets there is no
12 financial benefit from the creation of cross-owned
13 duopoly combinations.

14 As far as the Internet changing
15 everything, I wish it were true, but it's not.
16 Overwhelmingly broadcast television and newspapers
17 continue to be the most relied upon sources of local
18 news. This is because they are really the only
19 entities in local communities that actually produce
20 local news.

21 Only a small percentage of the public
22 uses the Internet as their primary source for local

0128

1 news and those that do are visiting the websites of
2 their local broadcasters and newspapers.

3 Now over the long-term the Internet does
4 present a challenge to the current business models
5 of the traditional media companies, but it also
6 presents an opportunity. There will always be a
7 market for local news and broadcasters and
8 newspapers are the company's best suited to meet
9 that demand.

10 There's no evidence to suggest that
11 consolidation is the answer to the challenges that
12 traditional media may face. In fact, history
13 suggests that consolidation will hurt these
14 companies in the long run.

15 When companies consolidate, they cut
16 newsroom staffing budgets which devastates local
17 journalism and turns away their local customers.

18 Now, let's turn to the critical issue of
19 female and minority ownership. Here the record is
20 quite clear, increased media consolidation will
21 result in fewer stations owned by women and people
22 of color. This is because these owners are more

0129

1 likely to own just a single station and are more
2 likely to be local owners, the precise
3 characteristics of station owners who are most
4 vulnerable to the pressures of media consolidation.

5 Now we know this because my
6 organization, Free Press, actually did the hard work
7 of assessing the race, ethnicity and gender of the
8 owners of our nation's broadcast stations. However,
9 in the Commission's most recent effort to count
10 female minority-owned stations, it failed miserably.

11 Study two missed 67 percent of all
12 minority-owned TV stations and a whopping 75 percent
13 of the TV stations owned by women. This record
14 (inaudible) is pervasive throughout most of the
15 10 studies.

16 For example, study one, the taxpayer

funded survey of peoples media habits neglected to include in its demographic question a category for Latinos. That's right, our nation's largest and fastest growing minority group simply forgotten.

The Communications Act established this Commission to serve the public interest. You can

have proceedings and hold hearings like these in order to get you the evidence that you need to make decisions that actually do serve the public interest. You have a duty to pay attention to the record and to the people.

You are faced with a choice, you can listen to the concerns of Wall Street or you can listen to the concerns of Main Street. The public is tired of these companies using our airwaves as their personal ATMs. They want you to say no to more consolidation and say yes to local accountability, yes to diversity and ownership and yes to the public interests.

Commissioners, for the sake of our great nation's democracy, I hope you're listening.

Thank you.

(Applause)

LOUIS SIGALOS: Thank you, Mr. Turner.

Mr. Cooper.

MARK COOPER: Thank you. Mr. Chairman, members of the Commission, Derek told you what you did not do. I'm going to talk about what you should

do and what the broadcast and localism initiative will do.

The broadcast localism initiative was, in fact, an important policy shift at the FCC. Under its auspices the public filed comments and came to hearings like this for a couple of years. The Media Bureau developed a firm theoretical framework for explaining why more than simple economics is needed to promote localism in the public interest. It explored a rich, multifaceted definition of localism and began to conduct research that would evaluate localism in an honest and straightforward way.

Unfortunately, despite the fanfare of an initiative that was, quote, to play a critical role in gathering empirical data and grass-roots information on localism, the initiative simply disappeared from the recent research studies.

It was supposed to inform the commission's thinking about media policy. Its finding should have been presented to the public and the Commission in an independent report that could

be considered as we crafted our media policy going forward. It should not disappear into a thousand footnotes in a final order on media ownership.

If the Commission were to give the broadcast localism initiative its due, it would find that the challenges to localism are great and relaxing ownership limits will make it harder to achieve the goal of a broadcast media that is truly responsive to the needs of the public.

That is what the initiative was finding

11 before it was disappeared.

12 It identified a half dozen specific
13 economic, social and political factors that indicate
14 market forces alone will not produce adequate
15 localism in the broadcast media to serve societies
16 needs. The Media Bureau identified three broad
17 categories of concern. The notice of inquiry had
18 nine major areas of concern. Combining these, we
19 find 24 specific localism issues across five
20 categories.

21 The list is worth reading because it was
22 simply ignored in the 10 studies that the Commission

0133 actually conducted.

1 Under coverage of local affairs we find
2 community news, including police, traffic, weather
3 and sports, emergencies and events, education about
4 local institutions, local religious affairs, local
5 advertising and PSAs, we hear a lot about PSAs.

6 Under sensitivity to local taste we find
7 what do listeners want, how to avoid offense to
8 community values, how do we tailor programming to
9 local tastes.

10 Under opportunity for local involvement
11 we find local ownership and control, use of local
12 resources, working in the industry,
13 locally-originated programming and outlets for local
14 talent. We hear none of that in these studies.

15 Under facilitation of local political
16 discourse, we find public affairs programming, local
17 public affairs programming, expression of group
18 interests, community political and religious group
19 discussions, local political viewpoints expressed,
20 local call-in and talk shows, public access and
21 editorializing.

0134 Under competition issues, we have a few
1 of critical importance, pay lists, payola affiliates
2 and children's programming.

3 Each of these issues must be considered
4 from both the localism point of view and the point
5 of view of minorities. Thus, a parallel set of
6 minority or underserved communities, as the notice
7 of inquiry said, would include the following, is
8 there minority-targeted programming and
9 minority-originated programming that is sensitive to
10 local minority interests.

11 Does the media provide opportunities for
12 minority ownership and control of outlets, minority
13 employment in the media, use of minority talent,
14 minority group expression and representation of
15 minority group issues in a fair and balanced manner.

16 Almost none of these issues were
17 addressed in the recent round of research. Until
18 the Commission provides a detailed analysis of the
19 impact of ownership limits on localism and diversity
20 and gives the public and policymakers ample time to
21 consider these findings, it should not issue a final
22

0135 rule on media ownership.

1 simply rolling all of this into one
2 humongous order would do a disservice to the good
3 and hard work that went into the localism initiative

5 and put us back at square one, with an order that
6 does not reflect the policy goals of promoting
7 localism and diversity in the media.

8 You simply cannot solve the deficit of
9 localism and diversity without addressing and
10 reversing its decline at the core of the broadcast
11 industry in order to promote the localism and
12 diversity in the media.

13 Thank you.

14 (Applause).

15 LOUIS SIGALOS: Thank you, Mr. Cooper.

16 KEVIN MARTIN: I think a few
17 Commissioners have questions.

18 Commissioner Copps.

19 MICHAEL COPPS: Yeah, thank you
20 everybody for very informative and helpful and often
21 eloquent statements.

22 I just want to key in very quickly on

0136

1 something Mr. Turner said because I think you may
2 have really dropped a bombshell here with regard to
3 the interests in newspaper broadcasts
4 cross-ownership.

5 Am I understanding you correctly to say
6 that your data shows that in those markets where
7 there is newspaper broadcast cross-ownership, that
8 there is actually less local news?

9 S. DEREK TURNER: Well that's -- I --

10 UNIDENTIFIED SPEAKER: Hold on, I'm
11 sorry, I think you said it wasn't your data, it was
12 our data?

13 S. DEREK TURNER: That's right. Three
14 of the 10 studies did deal with this issue, however
15 none of them asked the appropriate question of what
16 happens to news at the market level because simple
17 economic theory predicts that a cross-owned station
18 may be able to take advantage of its synergies,
19 which will discourage our stations from actually
20 producing local news, so not only do you have a
21 lapse of a unique local voice, now you're pushing
22 the other owners away from doing local news, so we

0137

1 actually aggregated your data up to the market level
2 and applied the methodologies that were used across
3 all the studies. So it's not that we're tinkering
4 with the data, and it's very clear what it shows,
5 that you do see a negative effect at the market
6 level.

7 MICHAEL COPPS: Fine, thank you.

8 JONATHAN ADELSTEIN: I just wanted to
9 observe that Henry Shelton from the NAACP couldn't
10 be here but I'd like to ask that his testimony be
11 submitted for the record.

12 KEVIN MARTIN: Oh, of course, of course.

13 JONATHAN ADELSTEIN: There's no
14 objection to that?

15 KEVIN MARTIN: I've got a, go ahead.

16 JONATHAN ADELSTEIN: I just wanted to
17 thank you, I thought that was quite profound, myself
18 that, in fact, in cross-owned communities, that
19 there's actually less news and that comes from our
20 data.

21 So you think that's because of the, the